LAND AND NEW HOMES FACTSHEET

H1 2026

About Connells Group

A subsidiary of Skipton Building Society, Connells Group is the UK's largest estate agency and property services provider.

Founded in 1936, the Group combines residential sales and lettings expertise with a range of consumer and corporate services.

With over 1,200 sales and lettings branches across the country, we have a unique view of housing market activity as it unfolds.

Drawing on data from across our network, we track changes in the market day by day, helping us understand what's happening now and where trends may be heading next.

110+ New homes experts

235 Land sales

50+ Land specialists

+6.4% New homes sales H1 2026 vs H2 2025

1,670 Connells Group Shared Ownership property sales

Figures quoted for full year 2025, correct as of February 2026, based on internal data.

Market context

The year kicked off with a return to momentum, following months of speculation around the second Labour Budget of this parliament. In February, both new buyer applications (+2%) and sales instructions (+1%) had seen a marginal annual increase. But by the end of that month, the crisis in the Strait of Hormuz sparked a rapid repricing of mortgage products. The rise in borrowing costs subsequently dampened market activity, and by April, the number of people registering to buy a home had fallen 8% on the year; meanwhile, offers accepted also dipped, but remained more resilient at -4%.

Against this global backdrop, mounting challenges to his authority led the Prime Minister to resign, with Andy Burnham seen as the most likely successor.

Key headlines

- 2 and 3-bed houses are converting at the **highest rate**
- Houses account for **80% of new build sales**
- New build properties **typically sell for higher values** than resale homes
- The average age of Shared Ownership buyers **is increasing**

Demand and conversion

We have assessed the appeal of different property types by calculating the ratio between the number of new homes launched and sold in H1 this year.

Overall, houses have accounted for an increasingly significant proportion of new build sales, up to 80% in H1 2026, up from 77% in H1 2025. Many factors could be influencing this, but the appeal of larger accommodation both for up-sizers and an older first-time buyer cohort may be playing its part.

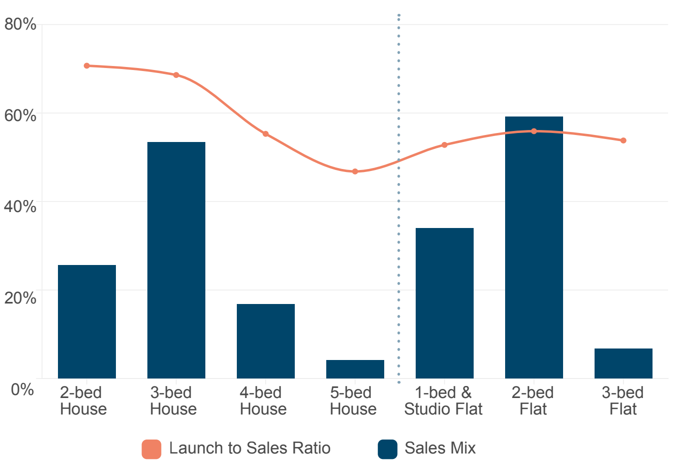
Demand has been strong for more modestly sized properties, with 2-bedroom houses converting at the highest rate (71%) between launch and sale. Despite this, they only accounted for 26% of the sales mix for houses, indicating a shortfall in supply relative to demand **(Figure 1)**.

At 55%, flats have a slightly lower conversion rate than the 64% observed for houses, and there is less variation across different bedroom sizes. A typical 2-bedroom flat converted at the highest rate of 60% and they also accounted for the largest share of the sales mix at 59%, suggesting demand for this type is largely being met.

The move to higher rates in recent months has put renewed pressure on affordability and buying power. Therefore, it is perhaps unsurprising that cheaper homes are most likely to sell **(Figure 2)**.

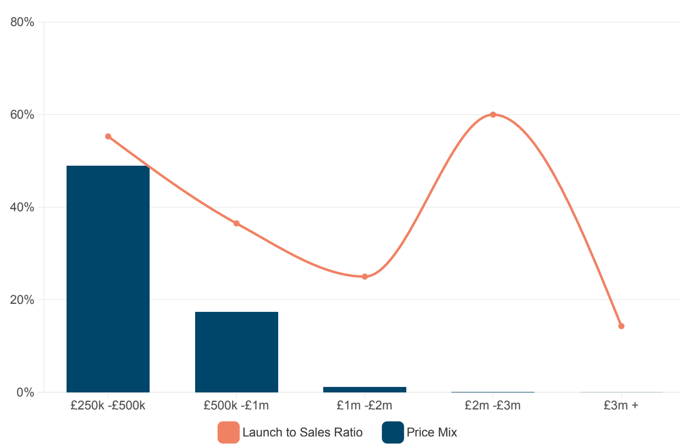
Equally, the more affordable regions saw the highest demand ratios so far this year, with the North East having the highest conversion rate of 80% **(Figure 3)**.

Figure 1: What is converting by property and bedroom type, H1 2026.



Source: Connells Group

Figure 2: Conversion rates and price mix by price bracket, H1 2026.



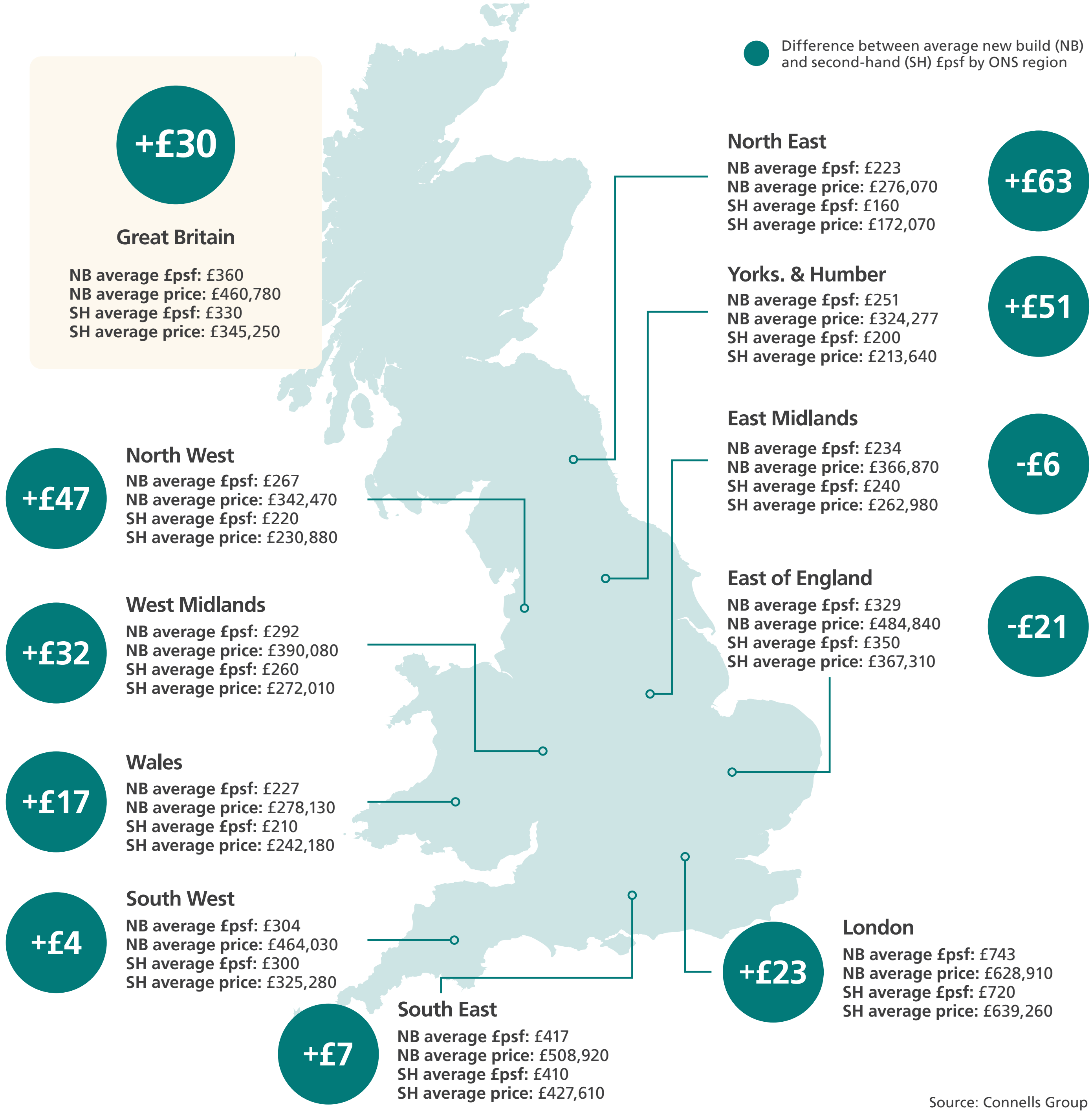
Source: Connells Group

Figure 3: Launch to sales ratio conversions by ONS region, H1 2026.

Source: Connells Group

£ per sq ft pricing (H1 2026)

Figure 4: Difference between average new build (NB) and second-hand (SH) £psf.



Source: Connells Group

New build properties typically sell for higher values than resale homes in the same market **(Figure 4)**. This dynamic is driven by inherent features, such as greater energy efficiency, modern building and community design, as well as the overall mix in stock. Examining values on a pound per square foot basis (£psf) over the first half of the year, most regions saw a higher average price for new builds compared with second hand property. The exceptions were the East of England and the East Midlands, both of which saw a marginal shortfall compared with the resale market. Unsurprisingly, these two regions had the widest gap between the average floor area of a new build compared with a resale home.

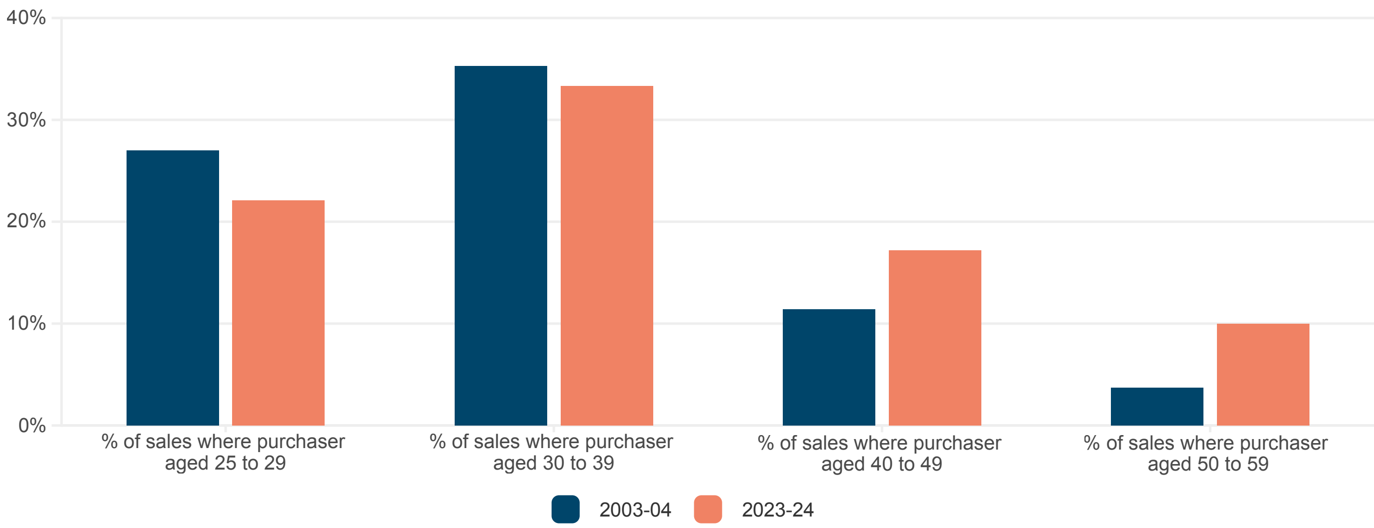
The biggest difference between new build and resale was seen in the North East, with an average gap of £63 per square foot, followed by the Yorkshire and the Humber at £51 per square foot. This could be a reflection of how new build housing is being designed to meet local needs, as well as the relatively lower value of second hand homes in these regions.

Affordability and Shared Ownership

Connells Group's latest Shared Ownership factsheet examined how the average Shared Ownership buyer is getting older. Twenty years ago, in the financial year 2003/04, the proportion of Shared Ownership buyers in their 40's was just 15.1%; by 2023/24, this share had risen to 17.2% **(Figure 5)**.

At this age range, many buyers will have established families, with the accompanying requirements for space. Affordability for these households will be increasingly stretched and highlights the importance of means testing in Shared Ownership. Equally, housebuilders will need to be conscious of the type of homes that will appeal to these families who are buying later in life.

Figure 5: Age of Shared Ownership buyers 2003/4 v's 2023/4.



Source: Connells Group using MHCLG data

Outlook

Over the coming months, activity in the housing market is likely to remain fairly muted, given the volatility in global trade linked to the US-Iran conflict, but also from the uncertainty that a change in leadership brings here at home.

Relatively high mortgage rates will keep buyers focused on value, which should continue to support demand for smaller, lower-priced homes and well-positioned new build stock where the affordability equation stacks up. In particular, more affordable avenues to homeownership, such as the Shared Ownership model, will continue to appeal.

At the same time, weaker vendor confidence and a still-constrained supply pipeline point to a market that is moving, but at a slower, more cautious pace, with pricing power concentrated in the most affordable locations.

Much will hinge on how long energy-driven inflation persists and whether or not the Bank of England's Monetary Policy Committee will be prepared to see this as a short-term shock. Our view is that rate expectations could ease over the coming months, allowing activity to rebuild into the autumn. Furthermore, with purchasing likely to remain cheaper than renting in many cases, motivated first-time buyers are likely to continue underpinning activity.